



U.S.-PANAMA TRADE PROMOTION AGREEMENT New Jersey Farmers Will Benefit

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The U.S. agricultural sector has a great deal to gain from the pending U.S.-Panama Trade Promotion Agreement, known as the Panama TPA. The agreement will immediately eliminate duties on nearly 50 percent of current U.S. exports and gives U.S. exporters improved access to the Panamanian market for many products that have been highly protected. U.S. agricultural exports to Panama in 2010 exceeded \$450 million.

The Panama TPA agreement eliminates tariffs and other barriers on most agricultural products, increasing export opportunities for a range of New Jersey's agricultural products, including fruits, dairy products, and vegetables. New Jersey's agricultural exports to all countries, estimated at \$228 million in 2010, supported about 1,900 jobs, on and off the farm. These export sales make an important contribution to the New Jersey farm economy, which had total cash receipts of \$1.0 billion in 2010.

Fruits and Fruit Products

- Panama will immediately eliminate its tariffs on nearly all fresh and processed fruits and fruit products, including peaches, blueberries, cranberries, cherries, pears, plums, apples, and apple juice.
- The 10-percent tariffs on most dried fruits will be eliminated in 5 years, and the 15-percent tariffs on many single strength fruit juices and juice mixtures will be phased out over 5 to 15 years.

Vegetables and Vegetable Products

- Panama's tariffs on nearly all frozen and processed vegetables, currently 15 percent, will be eliminated immediately.
- Tariffs for most fresh vegetables will be eliminated in 10-15 years, with the 15-percent tariffs on fresh lettuce, tomatoes, and broccoli eliminated in 12 years, and the 30-percent tariff on fresh carrots eliminated in 10 years.
- Panama's tariffs for canned tomatoes, tomato powder, tomato juice, and juice mixtures containing tomatoes will be eliminated immediately. Panama will establish a 798-ton duty-free preferential TRQ for tomato paste, with the over-quota tariff of 81 percent to be phased out within 15 years. U.S. exporters will continue to have access to the global 1650-ton TRQ for tomato paste that is part of Panama's World Trade Organization (WTO) commitments. Panama has agreed to eliminate the tariff for imports under that TRQ for the period from September through February each year.

New Jersey Principal Agricultural Products and Exports, 2010		
Product	Cash Receipts (2010 calendar year)	Exports (2010 fiscal year)
Total	\$1.0 billion	\$228 million
Fruit and Fruit Products	\$178 million	\$23 million
Vegetable and Vegetable Products	\$102 million	\$23 million
	Source: USDA-NASS	Source: USDA-ERS

For questions about the U.S.-Panama Trade Promotion Agreement and its impact on U.S. agriculture, please contact FAS Public Affairs at (202) 720-7115 or LPA@fas.usda.gov.